

**LEGAL SERVICES TRUST FUND PROGRAM  
2006-2007 GRANT YEAR**

**INSTRUCTIONS FOR COMPLETING PROPOSED IOLTA BUDGETS**

**QUALIFIED SUPPORT CENTERS**

Rule 5.1 of the Rules Regulating Interest-Bearing Trust Fund Accounts requires that within 30 days after notification of a proposed allocation of funds, recipients must submit a budget and budget narrative for the expenditure of the allocation.

Please send us two copies with original signatures, as well as an electronic version of your proposed budget for use of your tentative allocation during the 2006-2007 grant year. There are six forms to complete:

- A. Summarize the impact of the tentative grant allocation on your organization. How will you spend the grant? What services will it permit you to provide?
- B. Describe a project or activity in which your organization has been working in coordination with other provider(s) of legal services for low-income people. Identify the participants and summarize your achievements. How long have you been working on the collaborative effort? How have you evaluated its success? What changes have been instituted as a result of evaluation outcomes?

Also describe your organization's plans to participate in additional collaborative efforts, with special regard to outreach, policy and strategic planning.

- C. If you receive funding from sources other than the Trust Fund Program to provide support services to qualified legal services projects, you must provide assurance that the services funded with the Trust Fund grant are in addition to those already funded by other sources [see Business & Professions Code § 6216(c) and Eligibility Guideline 2.4].
- D. If your organization provides services other than free support services to qualified legal services projects in California, how will you ensure the Trust Fund Program grant is not spent to support those other activities? Describe the systems you will use to account separately for the use of Trust Fund money [Business & Professions Code §§ 6216 & 6223].
- E. Form E is for actual budget figures; use whole dollars (**no cents**).

Be sure to answer questions 26, 27 and 28 at the bottom of the page. Ordinarily the commission expects you to budget 75% or more of the grant for personnel costs, and 75% or more for program costs. If your budget deviates from these standards, include an explanation on Form F, and explain why the commission should approve an exception in your case.

- F. Explain how you arrived at the amounts on each line of Form E. Explanations for all allocations should indicate whether the grant is being used to pay for specific items or is being allocated to line items on a percentage or formula basis.

If money is being allocated to fund specific positions, the explanation for each personnel allocation (lawyers, paralegals or other staff) should specifically identify the positions and the full-time equivalents that this grant will fund. If your personnel allocations represent an across-the-board share of all personnel costs, provide a summary of total full-time equivalent positions to be funded in each category.

If you propose to allocate this grant to fund an across-the-board share of non-personnel expenses, provide the percentage and the basis for the percentage. If not, state specifically how you arrived at the amount on each line and what percent it represents of your total expenses for that category.

The forms must give a clear description of how your organization will spend the grant. Trust Fund Commission members will use these forms, along with your application materials, to evaluate whether your proposed budget complies with the Trust Fund Program statute.

## **PROGRAM/ADMINISTRATION**

Form E asks for an itemization of funds budgeted for "program" and "administration." The general distinction between the two kinds of expenditures is as follows:

**Program expenses** include the cost of personnel, personnel-related and non-personnel items directly related to the provision of support services to qualified legal services projects, including any specialized services necessary for the disposition of legal matters.

**Administration expenses** are those portions of personnel, personnel-related and non-personnel costs supporting general office operations, rather than legal program expenses.

**Reminder:** Consistent with the kinds of services provided by your organization, the commission prefers that most of the funds be allocated to program expenses and to personnel expenses and therefore recommends that allocations to administration and non-personnel expenses not be disproportionate in either total dollars or percentage of funds in relation to the total grant award.

## EXPENSE CATEGORIES

Expenses to be included on each line of Form E are described as follows:

1. Program Name.
2. Preparer. Name, telephone number, extension, fax number, and e-mail address of the person preparing the budget.
3. County. Indicate "Statewide" and your total allocation.
4. Lawyers. Salaries and wages paid to staff attorney(s), whether full-time, part-time or temporary.
5. Paralegals. Salaries and wages paid to staff paralegal(s), (including law graduates, legal assistants and law students), whether full-time, part-time or temporary. Paralegals are persons working under the supervision and control of an attorney, whose duties consist primarily of such activities as intake interviewing, case investigations, checking court records, legal research, client representation at administrative hearings and outreach and community work. (Refer to Business & Professions Code § 6450 et seq. for the statutory definition of Paralegal.)
6. Other Staff. Salaries and wages paid to all other staff, including administrative and support staff, and whether full-time, part-time or temporary.
7. Subtotal. Add amounts on lines 4, 5 and 6.
8. Employee Benefits. Fringe benefits and payroll taxes paid on behalf of employees, such as retirement, FICA, health and life insurance, workers' compensation, unemployment insurance, and other payroll-related costs.
9. Total Personnel. Add lines 7 and 8.
10. Space. Rent, utility payments, maintenance/janitorial expenses, and the cost of debt service for owned property.
11. Equipment Rental and Maintenance. Lease or rental expenses for office furniture, fixtures and equipment (except telephone), maintenance costs for that equipment whether pursuant to a service contract or an estimate of anticipated repair bills.
12. Supplies, Printing and Postage. Basic office accessories and supplies, including materials used in copiers. Equipment purchases that will not be depreciated may be included here. Outside printing and postage should also be included in this category.

13. Telecommunication. Local, long-distance, cellular telephone or wireless service expenses. Similar and related expenses for voice mail, conference calls, or videoconferencing or other telecommunications services should be included as well. Telephone equipment lease/rental and telecommunications equipment purchases that will not be depreciated may be included here.
14. Travel. Expenses for travel, whether directly related to the provision of support services for legal services projects or administration of the organization.
15. Training. Non-personnel costs associated with the training or continuing education of **staff members or volunteers** who provide services through your organization. You may include the cost of travel to and from training events, per diem, conference registration fees or tuition, purchase or production of training materials, rent for facilities used in a staff training event, consultant fees paid to trainers, etc.  
  
Expenses for training events produced by support centers for legal services projects should not be included here. Allocate those expenses on other lines (e.g., supplies and printing, travel, contract service to clients).
16. Library. Expenses for the maintenance and normal expansion of office libraries, including subscriptions to periodicals, books and update services or electronic research services. Capital additions to library holdings should be included on line 20.
17. Insurance. Professional liability insurance, fidelity insurance, property insurance (fire and theft) and liability insurance for property and automobiles.
18. Audit. Expenses for preparation of the audit or financial review. Do not include costs for bookkeeping or ongoing accounting services here.
19. Litigation. Court costs, witness fees, expert witness expenses, sheriff's fees, courthouse copying fees, and other expenses incurred in litigation on behalf of eligible clients.
20. Capital Additions. Equipment and library purchases over \$1,000 per item and any proposed expenditures related to real property acquisition. Provide a separate description for each such proposed purchase. Purchases of tangible personal property with Trust Fund monies are governed by the "Guidelines for Acquisition of Tangible Personal Property." The purchase of real property with your Trust Fund grant is governed by the "Guidelines for Purchases of Real Property." Contact Trust Fund Program staff if you propose to allocate grant funds to the purchase of real property.
21. Contract Service to Clients. Payments to private attorneys, consultants or organizations that provide support services to qualified legal services projects on

behalf of your program. **Itemize individual contract amounts on Form F; identify the proposed contractor(s) and the general nature of duties to be performed.**

22. Contract Services to Organization. Payments for services to the organization, such as legal counsel for its operations, bookkeeping or other accounting services, technology and development consultant fees, etc. **Itemize individual contract amounts on Form F; identify the proposed contractor(s) and the general nature of duties to be performed.**
23. Other. Expenses not included above. **Itemize expenses under this category on Form F.**
24. Total Non-Personnel. Add lines 10 through 23.
25. Total. Add lines 9 and 24.
26. % Personnel/Non-Personnel. Indicate what percent of the grant budget is for personnel expenses (line 9) and what percent is for non-personnel (line 24). The commission ordinarily expects you to budget 75% of the grant or more for personnel expenses. If your proposed budget allocates less than 75% to personnel, explain this deviation from recommended percentages on Form F.
27. % Program/Administration. Indicate what percent of the grant budget is for program expenses and what percent is for administration expenses. The commission ordinarily expects you to budget 75% of the grant or more for program expenses. If your proposed budget allocates less than 75% for program expenses, explain this deviation from recommended percentages on Form F.
28. Identify, by percentage, this grant's share of your total organizational budget for the period July 1, 2006 through June 30, 2007.